

From: "Minuteman Press" <customerservice@minmanri.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 4/13/2010 12:13 PM
Subject: Health Insurance for Small Business

Dear Health Commissioner

I have been a small business owner in Rhode Island since March of 1999. Two years ago I was proud to have grown my business to a level where I could also offer healthcare coverage to my two employees. Last year, during a heavy recession, I was appalled to see the insurance companies given the opportunity to pass on 18%+ increases in premiums to businesses. Since I could not provide pay increases last year and my employees could not afford an increase in co-pay my business had to pick up the full cost. Not only was this the easy route, of passing on to businesses the cost of what the insurance companies could not manage, it assumed the revenue was there to pay it. Unfortunately commercial businesses cannot get the same mandate to pass on there cost increases.

This year I understand another round of increases is on the way. It has to stop. Regardless of the reasons for the increases, businesses like mine are not going to be able to cover the cost. Since the costs are not evenly distributed between large and small businesses, and currently some businesses opt out of providing coverage, small businesses offering healthcare coverage today cannot pass these increases on to our customers and remain competitive. The only options (currently) is to stop providing the coverage to employees or reduce headcount. Both will result in fewer people being covered and I would think only increase healthcare cost without increasing revenue.

I respectfully suggest that it is time to work with tthe revenue that is already being collected. The problem may or may not lie with the insurance companies, but the resolution is not in passing the buck. If costs are getting out of hand then that needs to be addressed. If it's excessive profit taking by some or an increase in demand then that should be addressed. I'm sure if a small business like mine can trim fat and re-invent itself to stay profitable then the healthcare industry can do the same.

If all else fails and costs cannot be balanced, can I suggest we look at subsidizing the cost through grants, (directly to the provider not the insurance companies) by collecting additional revenue on cigarettes, beer and any other optional recreational item that contributes to the cost of healthcare.

Please do not send us another wave of premium increases.

David Buttery
Minuteman Press of Johnston
The First and Last Step in Printing
www.minutemanus.com
401 944 0667

CC: davidb@minmanri.com

Kathie Florsheim
PO Box 2367
Providence, RI 02906

RECEIVED

APR 23 2010

Health Insurance
Commissioner

Christopher Kohler,
Health Insurance Commissioner
Office of the Health Insurance Commissioner
1511 Pontiac Ave Bldg 69-1
Cranston, RI 02920

April 22, 2010


Dear Commissioner:

What a surprise it was when, this morning, I heard that Blue Cross Blue Shield of RI was running \$100M in the red. And would be asking, again, for a double-digit rate increase, again. Of course you must know that I am being sarcastic.... What is the difference in the money BCBSRI would have raised with its most recent proposed rate increases, when compared to what they were actually granted by the OHIC? Would that be about \$100M? Certainly sounds to me like they decided they would have their rate increase, as they wanted it, one way or the other. In addition, pledging to lower their administrative cost by \$ 15M is specious, at best when comparing that to the amount of money they spent constructing a new building which they didn't need, at the rate payers' expense. The fact that they haven't, until this point, decided to trim their own administrative costs, is an insult to the policyholders who have financed them, to say nothing about battled with them to get the medical procedures done that their doctors order. Mr. Purcell's remark, following the announcement of trimming costs, however, didn't pertain to administrative costs. He said that not everyone needs an MRI because they have a backache. Clearly those cuts will be born by the policyholders, not the administrative end of BCBSRI.

It is impossible to tell if this is another of BCBSRI's negotiating techniques. What it does say, however, is that the organization thinks itself entitled to more money from its policyholders. That is a difficult pill to swallow, considering that our providers are not compensated any better when there are rate increases, and that in fact, the medical community in Rhode Island has trouble recruiting good medical personnel because our reimbursement rates are some of the lowest in the country. BCBSRI plays a large part in that circumstance, of this I am sure you are aware.

I appreciate your consideration in hearing my comments, as I also appreciate your steadfast representation of the medical consumers in Rhode Island.

Sincerely,



Kathie Florsheim



Mayor of Providence

David N. Cicilline

RECEIVED

APR 26 2010

Health Insurance
Commissioner

April 23, 2010

Mr. Chris Koller
Rhode Island Health Insurance Commissioner
1511 Pontiac Ave
Building #69, First Floor
Cranston, RI 02920

Dear Commissioner Koller:

I am writing to strongly urge you to reject Blue Cross and Blue Shield of Rhode Island's request for a 10 to 15 percent rate increase for its members.

In Providence, we know what it means to make difficult sacrifices. The City has cut staff, instituted pay freezes and furloughs, and cut operating costs as a result of this prolonged economic crisis. We have brought our unions to the table and negotiated historic reductions in contract costs. In short, we have done everything necessary to continue to provide critical city services without increasing the burden on taxpayers, who are already struggling through these challenging times.

It is unacceptable for Blue Cross and Blue Shield of Rhode Island to address its financial shortfalls with a rate increase for its members, for whom it would be an onerous and unfair burden. Instead of taking responsibility for the condition in which it finds itself and making the difficult decisions that struggling Rhode Islanders have had to make themselves, BCBSRI intends to put the decision in your hands. Someone has to draw the line. You have done it once before and Rhode Island needs you to do it again.

Sincerely,

A handwritten signature in dark ink, appearing to read "David N. Cicilline".

David N. Cicilline

Mayor

From: "robin@compuchild-ri.com" <robin@compuchild-ri.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 5/18/2010 4:34 PM
Subject: have they really earned a rate hike? I don't think so.

RECEIVED**MAY 18 2010****Health Insurance
Commissioner**

Dear Mr. Koller,

I read about the rate hikes that have been requested in today's Providence Business News. I have some questions I'd like to pass along to you, because you might actually get some answers - I asked but never got any response of any kind.

I am a military widow who's fortunate to have Federal Blue Cross/Blue Shield benefits for myself and my children. I'm also a micro-business owner who is struggling to succeed in this down economy, which means I'm one of those many business people who have become very good at looking for ways to be lean and mean. But I don't think big business has cultivated frugality as a corporate value.

Recently I had an experience that kind of crystallized things for me. I received 6 Blue Cross EOB forms on one day. Six of them! each in a separate envelope. While it may not seem like much of a problem, to me it's just one more example of Blue Cross's failure to get their arms around practical cost-cutting measures. Those 6 envelopes raised several questions for me:

- * why am I paying for 6 envelopes when only 1 was needed? I'm not just paying for 6 envelopes but also six times the postage.
- * how many of us are paying for this kind of waste? The phone company is very good at keeping track of all my calls during the month and then sending me one bill with all the details - why can't the insurance company do that and send out one EOB a month instead? And don't send me anything if we haven't used our benefits that month!
- * why don't I have the option of logging into my account and printing out my EOBs for myself if I want a copy?
- * what other wasteful practices do they have that cost me money?

I wrote them a while back to ask some of these questions and make some suggestions, but never received any kind of a response. I hope that their response to you isn't that 'we can't do that because that's not the way we do things'. They need to be changing the way they do things.

I recognize that this example is just a small part of the problem, but to me it's a clear indication that Blue Cross isn't making much progress at evaluating their business processes to find ways to conserve. Why do subscribers have to pay for this? Have they made any serious effort to figure out changes they can make, or do they just think they have to ask for higher rates and that will solve the problem? If I used wasteful practices like that, I'd be out of business in no time just because of my office supply budget! It seems to me that if they take a good hard look at how they do things, they're bound to find small things that can save them big money when it's all added up. Some big executive isn't earning his huge salary and bonuses if he's not looking at how they do business.

I urge you to take a conservative line on approving the requested rate increases. Everyone else is finding ways to make due with less - please find a way to get them to understand that they need to evaluate their overhead practices before they ask for more from subscribers.

Sincerely,
Robin Gardner

[cid:image001.png@01CAF6A1.10654400]<<http://www.ri-computerlearningservices.com/>>
401.935.1802

From: <paul4v44@aol.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 5/19/2010 4:40 PM
Subject: Blue Cross requested rate hike

Dr. Mr. Koller,

Since Blue Cross is at it again, I feel I must mention why they DO NOT deserve a rate hike.

First, it seems they do not wisely spend the revenue they are currently getting...evidence if this is:

1) "Choices" Magazine..an unnecessary expense, as anyone with a TV or access to the internet can get the same info. How much is it costing them to publish and mail this? 2) It appears they are paying someone to monitor how often people are refilling their prescriptions...this is not only an invasion of privacy, but an unnecessary expense, except in the case of controlled substances.

Secondly, who in that company is getting a "golden parachute"-- and if this is still happening, WHY?

I am tired of seeing my paychecks eaten up by medical and dental rate hikes--this affects MY bottom line. I am not a pharmacist or employed by any health care industry (although i used to be). I'm just a working person who would like to see Blue Cross use some common sense.

Maybe these things should be looked into before Blue Cross is granted another rate hike...and by the way, Delta Dental just hiked their rates.

-Erika Veit
66 Girard Ave. #312
Newport, RI 02840

Christopher Kohler
Commissioner of Health Insurance
1511 Pontiac Ave.
Bldg. #69 first floor
Cranston, R. I. 02920

5/18/2010

RECEIVED

MAY 20 2010

Health Insurance
Commissioner

Dear Mr. Kohler,

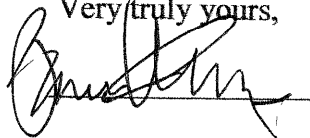
I am writing in response to Blue Cross Blue Shield of Rhode Island's request for a rate increase. Enclosed you will find a letter From Blue Cross Blue Shield to our company threatening to cancel our policy for making a partial payment toward our monthly premium. We have been a customer for 20 years and have not missed one payment.

We maintain that Blue Cross Blue Shield would not need a rate increase if they were more interested in working with customers to collect revenue rather than cancelling policies.

The Prudence Ferry has not received a rate increase in seventeen years. We have assiduously lived within our budget by not spending more than we make in a calendar year keeping the rates the same for our customers.

Blue Cross Blue Shield should not only be denied a rate increase, the Office of the Attorney General should investigate them for lavish spending and gross mismanagement.

Very truly yours,



Bruce G. Medley
President
Prudence Ferry, Inc.

cc.

Thomas Schumpert
Head of Business Regulation

Patrick Lynch
Attorney General

James E. Purcell
President and Chief Executive Officer
Blue Cross Blue Shield of Rhode Island



State of Rhode Island and Providence Plantations

HOUSE OF REPRESENTATIVES

REPRESENTATIVE AMY G. RICE *District 72*

May 19, 2010

RECEIVED

MAY 20 2010

Health Insurance
Commissioner

Mr. Christopher F. Koller
Health Insurance Commissioner
Office of Health Insurance Commissioner
Bldg. 69, Floor 1
1511 Pontiac Avenue
Cranston, RI 02920

Re: Proposed Premium Hikes

Dear Commissioner Koller,

Over the past two days, I have read that three of our state's commercial health-insurance providers are seeking premium hikes. I am writing to vehemently object to these proposed rate increases.

Our hard-working citizens of this state have had enough of health insurance increases particularly in this recession with high unemployment. Rate increases can be avoided with better management by health insurance providers and patient education for prevention of illnesses. These are some examples of how I believe your office could be utilizing its precious resources.

As you review the rate increase proposals, I ask you to consider all of our working citizens.

Thank you.

Sincerely,

Amy G. Rice, Esquire
State Representative
District 72 – Portsmouth-Middletown-Newport

AGR/ejj

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OHIC
1511 Pontiac Ave
Bldg 69-1
Cranston, RI 02920

May 25, 2010

Re: Health Insurer rate increase

Dear Sir or Madam:

RECEIVED

MAY 26 2010

Health Insurance
Commissioner

I am outraged at an increase to Health Insurance companies during this time of severe hardship to small business.

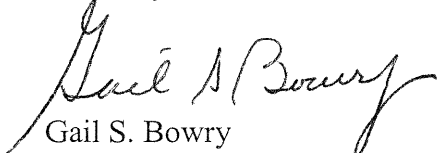
First of all, I don't believe that RIBCBS should have spent millions of dollars on a new building/furniture & fixtures and then ask for an increase.

BCBS has priced my company out of the "group market". We no longer meet the 75% participation rule because several of our employees can not afford the coverage. Which leave the remaining employees with only one option. Self pay. Self pay is upwards of 100.00 per person per month higher than a "group" plan.

I soooooooooooooooooooooo disagree with an increase at this time. This state is struggling to keep business & people to stay here. This is one more reason for people & business to leave this state. We are at minimum one year behind economic recovery than the other states in this country.

Please reject the increase.

Sincerely,


Gail S. Bowry
CFO/Apollo Auto Sales Inc

HealthInsInquiry - Health Insurance Premiums

From: <pcamboia@verizon.net>
To: <HealthInsInquiry@ohic.ri.gov>
Date: 6/2/2010 11:48 AM
Subject: Health Insurance Premiums

I spent some time in the city of Providence on Monday, and I couldn't help but wonder how Blue Cross Blue Shield of Rhode Island was justified in building that enormous, multi-million dollar glass building while we're all attempting to keep health insurance premiums affordable. Could someone please explain how that was allowed and now Blue Cross is "crying poverty" and requesting double-digit premium increases while threatening to reduce coverage if they don't get the rate increases they're requesting? It's a shame, and just another example of the tail wagging the dog in the State of Rhode Island.

Where was the Health Insurance Commissioner while this was going on?

Sincerely,

Pamela Camboia
North Kingstown, RI

4 Apple Seed Drive
Greenville, R.I. 02828
May 20, 2010

Mr. Christopher F. Koller
Health Insurance Commissioner
3 Capital Hill
Providence, R.I. 002908

Re: Blue Cross Blue Shield rate hike request

Dear Mr. Koller,

I have been reading & hearing the reports in the local newspaper and radio and television regarding Blue Cross & Tufts requesting rate hikes on their premiums to their customers. I recently learned that Blue Cross has been contacting members and letting them know that they qualify for the right to have an assistant physician visit them at their home as part of what I believe to be a wellness or health preventative initiative program. I know of one party who took advantage of this offer and had someone visit their home in Pawtucket just last week. The assistant physician takes their vital signs and checks their prescriptions as part of their visit. The other party that I know that was contacted refused to allow a visit.

During the visit in Pawtucket, the assistant physician divulged that he was from New York and drove to Rhode Island at the request of Blue Cross Blue Shield stating he never knows where he will be next. He also stated that Blue Cross puts him up at the Biltmore Hotel in Providence.

To me this appears to be nothing more than a scheme to drive up expenses for the health insurer in an attempt to justify their need for rate hikes. I would think that members of Blue Cross Blue Shield have their own primary physician that regularly monitor their patients without the need for hotel stays, mileage, meals, etc. I would hope that the records of Blue Cross & Tufts Health plans be carefully scrutinized to uncover these unnecessary and expensive services.

Sincerely,



Thomas Mulhern
(401) 949 2068

RECEIVED

MAY 26 2010

**Health Insurance
Commissioner**

529-10

Prof Salvatore G Scott. (Ret.)
32 West Hamden Rd
Cranston, RI 02920

Re: ~~additional~~ higher premium requested by
Blue Cross-Union Healthcare + Tufts.

To: Mr. C. Koller, State Health Ins. Commissioner.

Dear Mr. Koller:

I represent so many retirees on a fixed pension, who have a very difficult financial time. We fervently hope that you will not allow higher premiums to the above.
For instance our RI Blue Cross has just increased for the 3rd time, recently our premiums!

How much more can we pay?
They should suggest to doctors to avoid so many useless + very expensive tests.

Very gratefully yours,
S. G. Scott
95 years old

RECEIVED

JUN 06 2010

Health Insurance
Commissioner

June 1, 2010

OHIS
1511 Pontiac Ave
Bldg 69-1
Cranston, RI 02920

RECEIVED

JUN 06 2010

Health Insurance
Commissioner

Attention: Insurance Commissioner
Dear Sir: This letter is with regard
to the pending 1/11 increase requested by
B/CBS of R.I.

I am 71 years old, have worked all my
life, got laid off 1 1/2 years ago &
live on a small Social Security and
a reverse mortgage & had to get it 2008.
In 2005 my B/CBS payment was about
\$92.00 a month & now it is \$141.00.

I need my health care desperately and no
one is paying for it but me. Also pay \$34.20/mo
for Medicare Part D.

Please please do what you can to keep the
pending increase as low as possible. B/C does
not care about its subscribers no matter
how often they say different!

Thank you for your time & attention to this
very important matter! Sincerely, Valerie M Ricciardi

235 Promenade Street | Suite 104
Telephone: 401-274-1771



Providence, Rhode Island 02908
Facsimile: 401-274-1789

June 4, 2010

Christopher F. Koller
Health Insurance Commissioner
1511 Pontiac Ave, Building #69 first floor
Cranston, RI 02920

RECEIVED

JUN 07 2010

**Health Insurance
Commissioner**

Dear Commissioner Koller,

I write today on behalf of the Rhode Island Health Center Association (RIHCA) and its members, Rhode Island's ten community health centers, to comment on the rate increases proposed by BCBSRI, UnitedHealthCare of New England and Tufts Health Plans for health insurance rates in large and small group markets, for implementation 1/1/2011. Over the last two years, Rhode Island's private health insurers have requested a number of rate increases, and were granted substantial rate increases for the current year. The current rate of increase in insurance rates is unsustainable for individuals and for employers, and ultimately for the insurers themselves. Your office has initiated a number of commendable programs aimed at bending the cost curve. However, I wonder whether, in light of the continued requests for high rate increases, now is the time to reexamine what additional measures your office can take in order to contain the cost of health insurance for Rhode Islanders.

RIHCA is very concerned about frequent increases to health insurance rates, both as employers and as health care providers. Now is not the time for additional increases to health insurance rates.

Community Health Centers are integral to primary care in Rhode Island

Rhode Island's ten community health centers are a critical element in the state's health care landscape. Serving over 120,000 Rhode Islanders annually, the community health centers provide comprehensive, high quality primary and preventive care to some of Rhode Island's most vulnerable populations. About 22% of our patients are privately insured. We are active proponents of the medical home model of care, participants in the Chronic Care Sustainability Initiative – Rhode Island and the Rhode Island Chronic Care Collaborative, and early adopters of electronic medical records. In addition, the health centers and RIHCA together employ over 700 people; some are large employers with well over 50 employees, while others are small employers, with fewer than ten employees.

As health care providers, the community health centers are acutely aware of the need for accessible, affordable primary care in Rhode Island. Our health centers are expanding capacity, both by hiring additional providers and by expanding hours, in order to attempt to meet the increase in demand for our services, including the increased uninsured population many centers are seeing. In 2009, while our patient numbers increased by 8% overall (to more than 120,000), and our patient visits increased by 16% (to over 500,000), there was an overall 14% increase in uninsured patients, a slight increase in our Medicaid and Medicare patients (7% each), and a

minimal increase in privately insured patients (2%). The community health centers see fewer privately insured patients than they did in 2007.

Concerns about further rate increases

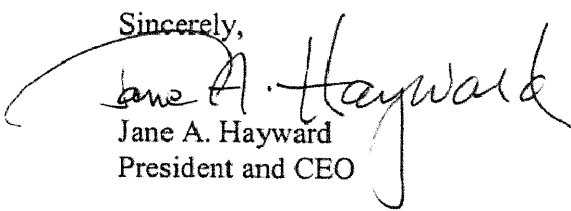
While the rates OHIC approved for 2010 were significantly less than those requested, they still approached 10%. On top of this, the plans are requesting rate increases well over 10% for 2011. RIHCA is very concerned that any additional increase in health insurance rates, particularly one of this magnitude, might further increase the numbers of uninsured patients our health centers are seeing, and thus further tax the health care safety net. In addition, we are concerned that employers might continue to offer insurance, but with larger deductibles that make accessing care difficult even for insured patients.

Further, RIHCA and our community health centers are concerned about the additional cost that we will incur as employers in order to continue to provide insurance to our workers. As with all employers, should rate increases be approved, the health centers will have to decide what costs to pass on to our employees and what costs the health centers are able to absorb. If the health centers pass the additional costs on to employees, we fear that some of our employees will be unable to pay additional premiums, and may become uninsured. If the health centers absorb the additional cost of higher insurance rates, we will limit our ability to grow to meet the needs of the increasing numbers of patients in need of our services, including the growing population of uninsured Rhode Islanders.

Conclusion

In conclusion, RIHCA is concerned about the proposed rate increases. Now is not the time to approve such high rate increases, particularly as they come on the heels of other significant increases. RIHCA encourages OHIC to continue to insist that the insurers are working to reduce costs and increase the quality of health care in Rhode Island. RIHCA remains committed to working together with OHIC and the plans to continue to address affordability.

Sincerely,


Jane A. Hayward
President and CEO

June 7, 2010

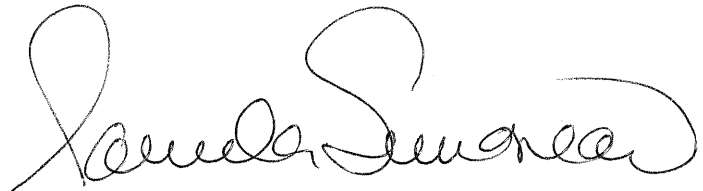
To Whom It may concern

My name is Pamela Simoneau, and I am writing to you in regards to the recent proposal of a rate hike for the major Healthcare insurers in the State of Rhode Island. I am very upset at the thought of a rate hike. My husband works so hard for the little bit of money we have left after the medical and dental insurance is taken out of his check each week. Right now there is \$233.00a week taken out of his check for dental and health insurance. I really don't think that this fair.because we pay each week we still have a \$2000.00 deductible that has to be met and also we have copays that we have to pay and on top of that we have received bills in the mail for things that Blue cross won't cover till we meet the deductible. I have Multiple sclerosis and there is medicine that I can't have because Blue ~~cover~~^{CROSS} once again won't cover them until the deductible is met. And also my youngest daughter was on singular up until we had to get Blue Cross because they won't cover that either and if we have to get it on our own it would cost \$120.00 an month. To be honest with the cost of everything being so expensive who can afford that. Really what is the point of having health coverage if they don't seem to want to cover anything? For a whole year we pay over \$12,000.00 for this insurance and we seem to get nothing for the money we pay. What is it exactly the these health insurance companies do with this money they receive from us?.

In closing I really hope the recent proposal does not get passed because we are ready so stretch to the limit we really can't afford to pay anymore. Where are we supposed to go to get more money when we need more? We really can't go into our boss's office and say we need more money we can't make our bills. We have to give up things in order to make our bills. Why don't they have to do the

same? Maybe the CEO should consider cutting his pay? A lot of the people in this state have already had to do things like that?

Sincerely,

A handwritten signature in black ink, appearing to read 'Pamela Simoneau', with a large, stylized loop at the beginning and end.

Pamela Simoneau

RECEIVED

JUN 11 2010

Health Insurance
Commissioner

From: Claire Jubb <cajubb@hotmail.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 6/8/2010 6:18 PM
Subject: RE: Last week for public comment on rate factors for 2011

My comment regarding the rate factors? It's easy, I can barely afford the pricing.

The monthly payment for Health Care in my household, which is my husband and I, is more than our mortgage payment. For what reason I do not know, because I am not feeling any benefit from the additional costs.

Health care is just not affordable anymore. Because our payment is exhorbitant, I am not in a position to participate or enjoy things I used to do. Everyone I know is unhappy and disgusted as to what's taking place. We see no value for what we are paying.

We need a Not For Profit Health Care Organization. The Companies we are forced to do business with are killing us and are completely unsympathatic to our needs.

The entire system is Pathetic and when is it going to change?

Claire A. Jubb

107A Overlook Circle
North Providence, RI 02904

Date: Tue, 8 Jun 2010 14:05:12 -0400
From: healthinsinquiry@ohic.ri.gov
To: cajubb@hotmail.com
Subject: Last week for public comment on rate factors for 2011

6-9-10

OHIC

RECEIVED

ATT: Christopher Koller

JUN 11 2010

Health Insurance
Commissioner

Dear Sir,

This letter is concerning the raises in premiums requested by BCBS, United Healthcare + Tufts. Well the people cannot take any more raises in premiums!! The economy is getting worse everyday for "half of the Earth" working + retired; how dare these health providers ask for more at this time!

My son worked for a small company who by law, I guess, had to offer health insurance; and so he did, Tufts, the highest one; + deducted \$2.00 an hour from their pay to provide it.

(over)

My Blue Chip premium went from
0 to \$14.36 or so, to \$41.00 per month.
We have been fortunate and enjoy
pretty good health. Our copays
have climbed for hospital, drs
etc, prescriptions etc.
So I am pleading, that health
providers do not raise their
premiums again.

Sincerely,
Veronika J. Kilani

P.S. Maybe to many
office visits now and
check more closely for fraud!

From: "coventryautoparts" <coventryautoparts303@verizon.net>
To: HealthInsInquiry@ohic.ri.gov
Date: 6/13/2010 6:47 PM
Subject: Pro Jo article of Oct 30th

Dear Mr. Koller ;

I found this article very interesting but was struck by the sentence about the hearings held on rate hike requests saying they were rejected as "unjustified" and "not acceptable". Just curious as to why then our premiums went up by 28 (YES) 28% !? I think they are out of control and we have no say in the matter. We are a small business and this is our biggest expense now. Just thought I would bring this to your attention.

Rhode Island Business Group on Health



Promoting a better
Healthcare delivery system
for all Rhode Islanders

PO Box 1523
Providence, RI 02901-1523
info@ribgh.org

June 9, 2010

Christopher Koller
Rhode Island Health Insurance Commissioner
Office of the Health Insurance Commissioner
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02920

RECEIVED

JUN 11 2010

Health Insurance
Commissioner

RE: Proposed Rate Factors Filed by Major Commercial Health Insurers Operating in Rhode Island

Dear Commissioner Koller:

On behalf of the Rhode Island Business Group on Health (RIBGH), a coalition of over 60 small and large employers in Rhode Island, we are providing you with our perspective on the proposed rate factors filed by Blue Cross and Blue Shield of Rhode Island ("BCBSRI"), United Healthcare of New England ("UHCNE"), and Tufts Health Plan ("Tufts") to be used to calculate their health insurance premium rates for small and large groups starting or renewing between January 1 and December 31, 2011.

With the recession expected to continue into 2011 in Rhode Island, small and large companies are continuing to struggle to survive and sustain their businesses. The cost of providing health insurance to their employees continues to be one of their top business expenses. While no employer wants or needs to pay more for health insurance coverage, the reality is that the commercial health insurers in Rhode Island will need increases to remain solvent under our current health care model. The key phrase is "current healthcare model". The only way the business community can support short-term increases is if those increases are part of a long-term plan to re-shape the healthcare system in Rhode Island. Any approval of rate filings should include a schedule agreed to by the health plans of rate increases that decline over the next 5 years to the rate of general inflation.

This cannot be accomplished by the health insurers alone. All the key stakeholders will need to support changes.

- Employers will need to promote new benefit plans to encourage or require employees to manage their own health and utilize the most effective services.
- Health insurers will need to reduce administrative costs, improve use of information technology, and develop new relationships with hospitals, physicians, and other healthcare providers to align the healthcare system.
- Hospitals will need to eliminate excess capacity, duplicate services, and reduce administrative costs, while aligning with insurers, physicians and other providers.


- Physicians and other health care providers will need to change their practice models and in some cases income expectations while they align with insurers, hospitals, and other providers
- Employees and unions that represent them as well as health plan members will need to accept changes to the health care system that may limit their options and require individuals to take an active role in managing their own health.

There is no Return on Investment for employers to invest in the current health care system. A true Return on Investment can only be achieved by investing in dramatic changes to the system. Employers are prepared to invest in the future, but are unwilling to sink any more money into a flawed system.

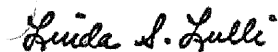
While we recognize and applaud the efforts that are currently underway by the health insurers to promote the use of health information technology and invest in other initiatives focused on system-wide improvements in the state's healthcare system, we urge your office to continue to hold the commercial insurers accountable to take further steps to reduce the growth rate of health care costs and to control their own overhead.

We appreciate your consideration of RIBGH's concerns and urge you to work with the health insurance carriers to minimize rate increases given the economy.

Sincerely,



J. Michael Vittoria
President



Linda S. Lulli

Linda S. Lulli
Director and Chair of the Legislative Affairs and Public Policy Committee